

United States of America
Before The
Federal Energy Regulatory Commission

Standardization of Small Generator
Interconnection Agreements and
Procedures

Docket No. RM02-12-000

SUPPLEMENTAL COMMENTS OF THE
MASSACHUSETTS DEPARTMENT OF
TELECOMMUNICATIONS AND ENERGY

I. CORRESPONDENCE AND COMMUNICATIONS

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II. EXECUTIVE SUMMARY

A. Introduction

The Commonwealth of Massachusetts Department of Telecommunications and Energy (“MA DTE”) respectfully submits its supplemental comments regarding Standardization of Small Generator Interconnection Agreements and Procedures Notice of Request for Supplemental Comments, Docket No. RM02-12-000 (Notice of Request for Supplemental Comments (August 12, 2004)). The MA DTE is the public utility ratemaking commission of the Commonwealth of Massachusetts. The MA DTE is responsible for setting rates for electric company distribution service and for the collection of Federal Energy Regulatory Commission (“Commission”) approved transmission tariffs. In addition, the MA DTE has general supervisory oversight of the operation of the electric companies in the Commonwealth of Massachusetts, including both transmission planning and siting.

On October 3, 2002, the MA DTE directed Fitchburg Gas and Electric Light Company; Massachusetts Electric Company and Nantucket Electric Company; Boston Edison Company, Cambridge Electric Light Company, and Commonwealth Electric Company (together “NSTAR Electric”); and Western Massachusetts Electric Company (collectively, “Distribution Companies”) to commence a collaborative process to propose, for Department approval, interconnection standards, policies, and procedures for service with respect to distributed generation (“DG”) that would be uniformly applicable to all the Distribution Companies. Distributed Generation NOI, D.T.E. 02-38A at 3-4 (Order Establishing a Distributed Generation Forum) (2002). The Distribution Companies, DG providers, government and quasi-governmental agencies, consumers, and public interest groups formed the Massachusetts Distributed Generation Interconnection Collaborative (“Collaborative”).¹ On May 15, 2003, the Collaborative filed a document entitled, “Tariff to Accompany Proposed Uniform Standards for Interconnecting Distributed Generation in Massachusetts”

¹ The members and participants in the Collaborative were: Aegis Energy Services; Associated Industries of Massachusetts; the Attorney General of the Commonwealth; Bill Feero; Cape Light Compact; Commonwealth of Massachusetts Division of Energy Resources; The E Cubed Company, LLC; Fitchburg Gas and Electric Light Company; ISO New England, Inc.; Ingersoll-Rand, Inc.; KeySpan Energy Delivery (Boston Gas Company, Colonial Gas Company and Essex Gas Company each d/b/a KeySpan Energy Delivery New England); Mass Technology Park Corporation d/b/a Massachusetts Technology Collaborative; Massachusetts Electric Company; Massachusetts Energy Consumers Alliance; MeadWestvaco Corporation; National Association of Energy Service Companies; Navigant Consulting, Inc.; Northeast Energy and Commerce Association; Northeast Combined Heat and Power Initiative; NSTAR Electric; Plug Power, Inc.; Raab Associates; RealEnergy, Inc.; Solar Energy Business Association of New England; Solutia; Trigen Energy; Union of Concerned Scientists, et al. (Conservation Law Foundation, Massachusetts Public Interest Research Group); United Technologies Corporation; Western Massachusetts Electric Company; and Wyeth BioPharma.

(“Model Interconnection Tariff”).² On February 24, 2004, the MA DTE approved the Model Interconnection Tariff. Distributed Generation, D.T.E. 02-38-B (2004). The Distribution Companies have since filed conforming interconnection tariffs.

The Model Interconnection Tariff resolved several issues between small generators and the Distribution Companies, such as the appropriate technical standards for screens, the necessity for certain interconnection studies, and other technical provisions. The MA DTE has determined that the Model Interconnection Tariff establishes standards and practices that recognize legitimate safety and reliability concerns associated with interconnection, but also that do not unduly inhibit the installation of DG. D.T.E. 02-38-B, at 5-6, 30-31. Accordingly, the MA DTE submits for Commission consideration and review in this proceeding, the Model Interconnection Tariff. A summary of the tariff follows, and the Model Interconnection Tariff is attached to, and incorporated in, these comments.

B. Summary of the Model Interconnection Tariff

The Model Interconnection Tariff provides three paths for interconnecting the customer’s facility (Model Interconnection Tariff at 7-20). First, the “Simplified Process” applies to qualified inverter-based facilities with a power rating of ten kilowatts (“KW”) or less, on a radial system or spot network (under certain conditions and using a UL 1741 certified inverter) (id.).^{3,4} In addition, the facility’s capacity must be less than 7.5 percent of

² The Model Interconnection Tariff also includes the following documents: Interconnection Service Agreement; Third Party Owner Agreement; Simplified Process Application; Expedited/Standard Process Application; Supplemental Review Agreement; Impact Study Agreement; and Detailed Study Agreement.

³ Qualified inverter-based facilities on spot networks may use the Simplified Process
(continued...)

the circuit's annual peak load (id.). The interconnection for the Simplified Process time line is a maximum of 15 business days, and there is no fee required for radial interconnection (id.).⁵ Second, the "Expedited Process" applies to interconnection on a radial system for facilities that pass pre-specified screens (id.).⁶ The interconnection time line for the Expedited Process is 40 to 60 business days⁷ and the application fee is \$3 per KW with a minimum fee of \$300 and a maximum of \$2,500 (id.).⁸ When supplemental or additional review is required, the applicant would pay for up to 10 engineering hours, at \$125 per hour with a maximum of \$1,250; if necessary, a witness test fee is applied, at up to \$300 plus travel time costs (id.). Third, the

³ (...continued)

when the aggregate facility capacity is less than one-fifteenth of the customer's minimum load (Model Interconnection Tariff at 7).

⁴ The Collaborative noted that interconnecting DG to secondary networks poses certain additional challenges; therefore, it agreed to: (1) allow certain small inverter-based facilities on spot networks to use the Simplified Process; (2) set a goal to seek expeditious and cost-effective approaches for interconnecting on a spot and area network; (3) form a technical group under the umbrella of the ongoing Collaborative to study network interconnection experience and procedures; and (4) provide regulators, customers, DG providers, utilities, and others with a clear explanation of the opportunities, challenges, and potential solutions posed by interconnecting to networks.

⁵ The application fee for the Simplified Process on a spot network is \$100 for three KW or less and \$300 for facilities up to and including ten KW (Model Interconnection Tariff at 12).

⁶ The screening process includes the following criteria: facility certification, starting voltage drop, fault current contribution, service configuration, and transient stability (Model Interconnection Tariff at 13).

⁷ The maximum time is 40 days where no Supplemental Review is needed and 60 days when a Supplemental Review is required (Model Interconnection Tariff at 11).

⁸ The Expedited Process anticipates use of the following standards: (1) California and New York adopted certification rules, (2) Underwriters Laboratories, Inc. standard UL 1741, and (3) the Institute of Electrical and Electronic Engineers P1547 Draft Standards (Report at 10).

“Standard Process” applies to either the radial or network system for all facilities not qualifying for either the Simplified or Expedited Processes (id.). The interconnection time line for the Standard Process is 125 to 150 business days,⁹ and the application fee is the same as for the Expedited Process, plus the cost of applicable studies and witness tests (id.).

III. SUPPLEMENTAL COMMENTS

The Model Interconnection Tariff represents an agreement among diverse interests: DG providers, consumers, public-interest groups, governmental and quasi-governmental agencies, and the Distribution Companies. The MA DTE appreciates the opportunity to submit the Model Interconnection Tariff and hopes that it will assist the Commission in promulgating its Final Rule in this proceeding. The Model Interconnection Tariff is Attachment A to these comments.

In order to allow for the effective implementation of the Model Interconnection Tariff, the MA DTE requests that the Commission amplify and clarify three issues. First, the MA DTE requests that the Commission address more fully the circumstances that will lead to a facility’s designation as dual-use (serving both interstate and intrastate purposes), including the criteria to be used and the entities involved in making the designation. Second, the MA DTE requests that the Commission more fully explain how it plans to exercise its rate authority over dual-use facilities. The Commission’s exercise of rate authority may result in rates, for the same facility, that differ from those set by a state public utility commission. Third, the MA DTE requests that the Commission recognize the importance of the involvement of state

⁹ The maximum time is 125 days when the customer goes directly to the Standard Process, and 150 days when the customer goes from the Expedited Process to the Standard Process (Model Interconnection Tariff at 11).

authorities in distribution system operations and planning. For example, the MA DTE has established distribution system service quality standards, established planning requirements, and inquired into distributed generation policies. See Service Quality Standards, D.T.E. 99-84 (2001); Annual Planning Reports, D.T.E. 98-84 (2003); Distributed Generation, D.T.E. 02-38 (2002). The MA DTE believes that distribution service customers have benefitted from our involvement in these functions and, therefore, the MA DTE respectfully requests that the Commission structure its Final Rule so that all distribution service customers continue to receive such benefits to the maximum extent possible.

This concludes the MA DTE's supplemental comments. The MA DTE appreciates the opportunity to participate in this proceeding.

Respectfully submitted,

THE COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS
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